

Clean Buildings Tier 2 Rulemaking, SB5722

Annex Y and Administrative Requirements

Clean Buildings Team

07/13/2023



Washington State
Department of
Commerce

We strengthen communities



HOUSING AND HOMELESSNESS



INFRASTRUCTURE AND BROADBAND



SMALL BUSINESS ASSISTANCE



ENERGY



PLANNING AND TECH ASSISTANCE



COMMUNITY SERVICES AND FACILITIES



CRIME VICTIMS AND PUBLIC SAFETY



ECONOMIC DEVELOPMENT

Introductions: Clean Buildings Team

[Emily Salzberg](#), Buildings Managing Director

Clean Buildings Customer & Technical Support

- [Luke Howard](#), Technical Lead
- [Donny Westfall](#), Technical Specialist
- [Judy Darst](#), Technical Specialist
- [Anneka McDonald](#), Incentive Program Lead
- [Annalyn Bergin](#), Customer Support, Outreach & Communications Lead

Clean Buildings Admin. & Program Support

- [Danielle Saguil](#), Administrative Assistant
- [Kyoung-Jin Lee](#), Data Lead
- [Brittany Wagner](#), Appliance Standards
- [Aaron Dumas](#), Clean Energy Fund
- [Liz Reichart](#), Senior Energy Policy Specialist for Buildings
- [Nick Manning](#), Legislative and Rulemaking Coordinator

Goals & Objectives

Public Comments

- Summarize comments

Annex Y and Administrative Requirements

- Review definitions
- Review proposed administrative requirements and procedures
- Collect feedback on proposed language

Agenda

Overview | Timeline, rulemaking schedule, rule of engagement

Public Comments | Summarize comments

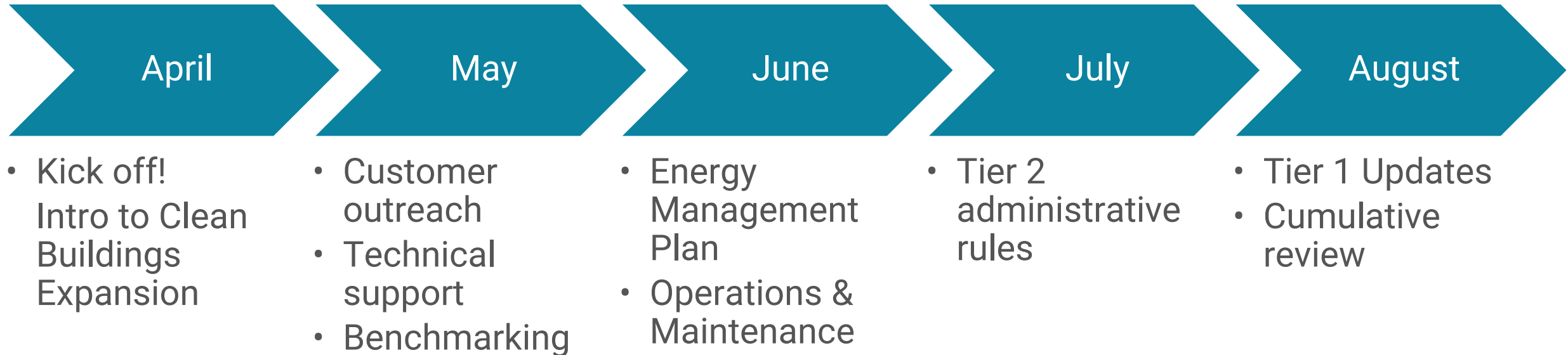
Proposed Amendments | Definitions and Annex Y
Administrative procedures

- Building Owner Notification
- Reporting requirements
- Compliance documentations
- Exemption
- Extensions
- Penalties

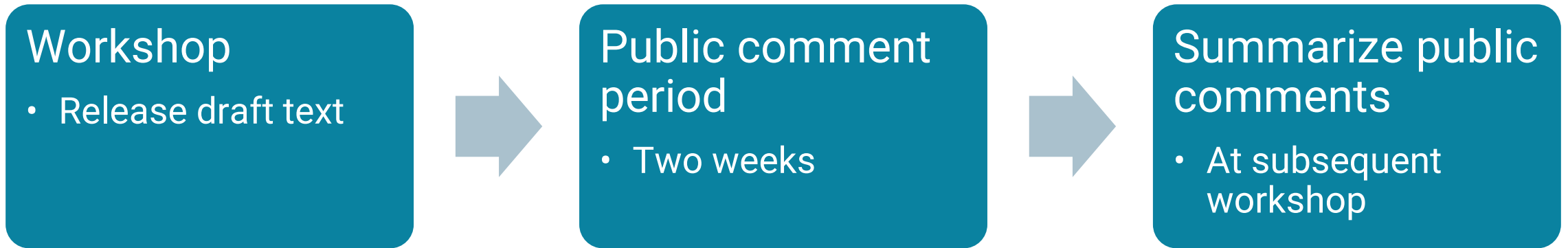
Q&A

Next Steps | August workshop and submit comments

Rulemaking schedule

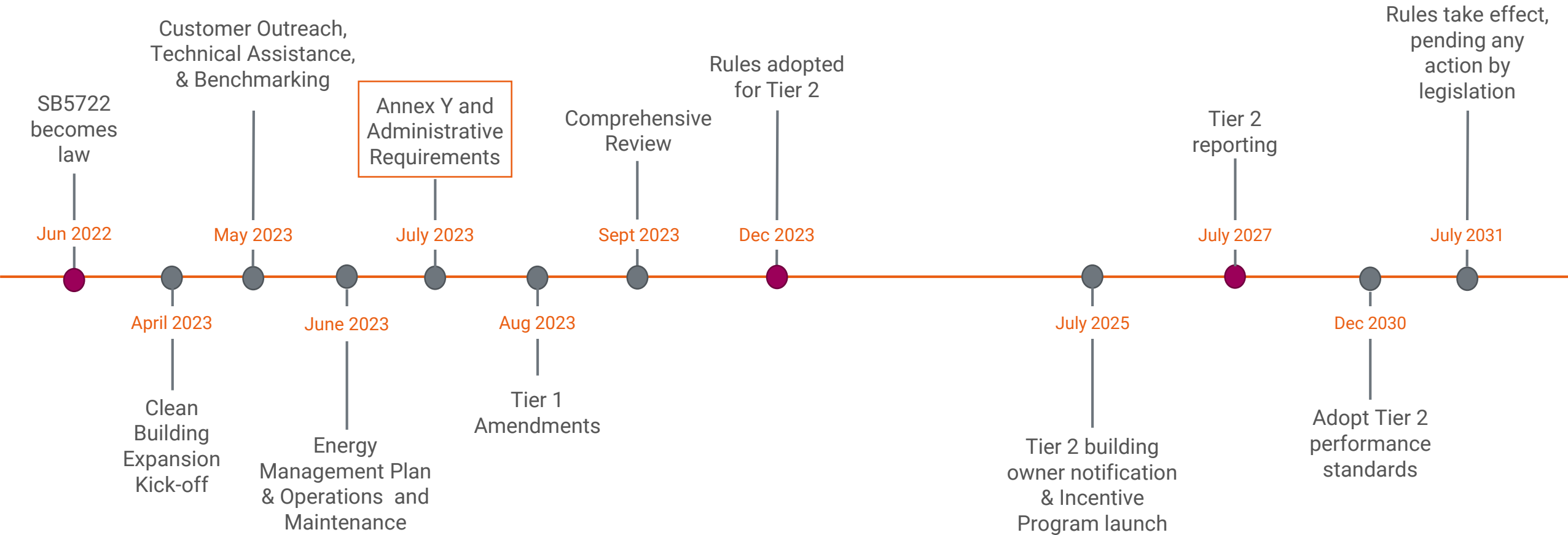


Rules of engagement



- Our objective is to be inclusive and participatory.
- We request that workshop participants be respectful.

Tier 2 Timeline



Summary of Public Comments

Donny Westfall



Summary: Public Comments

Program Suggestions

- Add “building envelope components” to Section 6.6.1
- Allow building owners to utilize existing O&M programs
- Develop online/on-demand training similar to Seattle's tune-up specialist program for alternative to Qualified Person

Partner and Collaborate

- Establish and facilitate building cohorts for peer collaboration and best practices

Request for Clarification

- Clarify if Tier 1 buildings with exemptions still need to comply with Tier 2 requirements

Public comments are viewable on the [Clean Buildings webpage](#)

Summary: Public Comments

Technical Assistance

- Provide helpdesk services for Qualified Energy Manager online training
- Recommend a simple checklist format for EMP and O&M reporting – utilize existing tools that work and develop sector specific checklists

Costs

- Concerns with costs to implement Tier 2 requirements

Public comments are viewable on the [Clean Buildings webpage](#)

New Terms and Definitions

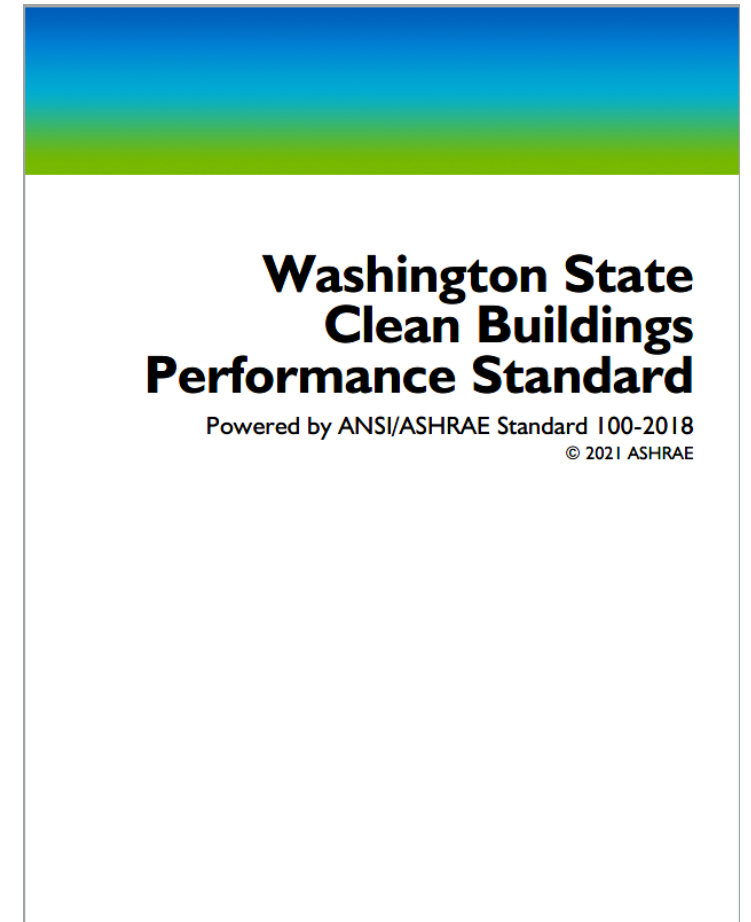
Judy Darst



CBPS Breakdown

Structure:

- Sections 1, 2 and 3 – Purpose, Scope and **Definitions**
- Section 4 – Compliance Requirements
- Section 5 – Energy Management Plan
- Section 6 – Operations and Maintenance Requirements
- Section 7 – Building Energy Use Intensity Target (EUI_t) setting
- Section 8 – Energy Audit Requirements
- Section 9 – Implementation and Verification
- Normative Annex L: Operations and Maintenance Implementation
- Annex X – Investment Criteria
- **Annex Y- Tier 2 Administrative Procedures** ← **New Section!**
- Annex Z – Administrative Procedures



What is a Tier 2 building?

tier 2 covered building: A building where the sum of multifamily residential, nonresidential, hotel, motel, and dormitory floor areas exceeds 20,000 gross square feet, but does not exceed 50,000 gross square feet, excluding the parking garage area. Tier 2 covered buildings also include multifamily residential buildings where floor areas are equal to or exceed 50,000 gross square feet, excluding the parking garage area.

New Terms and Definitions proposed changes

- *benchmarking*
- *building owner*
- *building tenant*
- *compliance extension*
- *conditional compliance*
- *connected buildings*
- *contiguous property*
- *covered building*
- *director*
- *energy target*
- *energy use intensity target (EUI_t)*
- *gross floor area*
- *lighting schedule*
- *multifamily residential building*
- *net energy use*
- *physical occupancy*
- *qualified energy manager (QEM)*
- *tier 1 covered building*
- *tier 2 covered building*
- *weather normalized energy use intensity (WNEUI)*

New Terms and Definitions

covered commercial building: includes tier 1 covered buildings and tier 2 covered buildings. A building where the sum of nonresidential, hotel, motel, and dormitory floor areas exceeds 50,000 gross square feet, excluding the parking garage area.

tier 1 covered building: A building where the sum of nonresidential, hotel, motel, and dormitory floor areas exceeds 50,000 gross square feet, excluding the parking garage area.

tier 2 covered building: A building where the sum of multifamily residential, nonresidential, hotel, motel, and dormitory floor areas exceeds 20,000 gross square feet, but does not exceed 50,000 gross square feet, excluding the parking garage area. Tier 2 covered buildings also include multifamily residential buildings where floor areas are equal to or exceed 50,000 gross square feet, excluding the parking garage area.

New Terms and Definitions

compliance extension: a 180 day compliance delay for *Tier 2 covered buildings* used by *building owners* that demonstrate the owner has *benchmarked* the building energy use in accordance with the standard but has not demonstrated full compliance with the energy management plan (EMP) and operations and maintenance (O&M) program documentation.

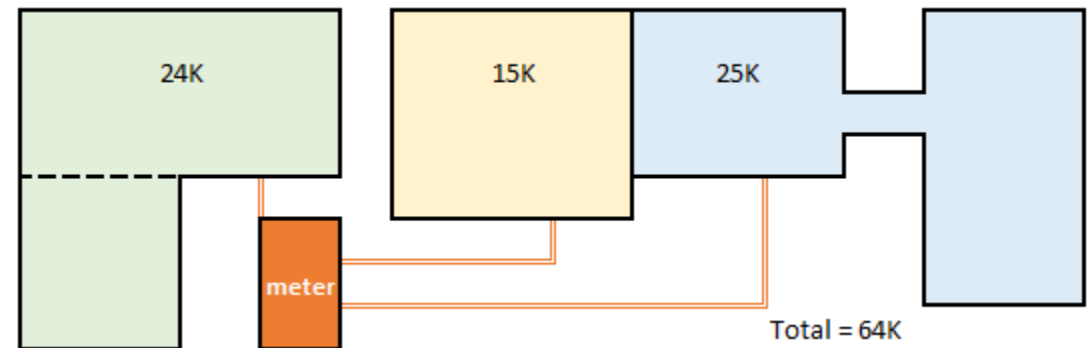
New Terms and Definitions

connected buildings: a collection of *buildings* owned by the same *building owner* that are situated on the same or adjacent parcels and have shared energy meters.

Example:

Rather than submetering the three buildings, allows connected buildings to comply together.

- Determine compliance path cohort using largest building's floor area (blue 25K)
- Develop energy target using Section 7.2 - 7.2.3 for multiple activities



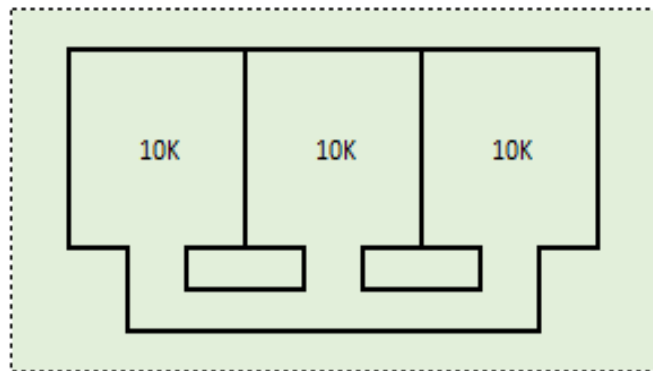
New Terms and Definitions

contiguous property: adjoining property under sole ownership.

Example:

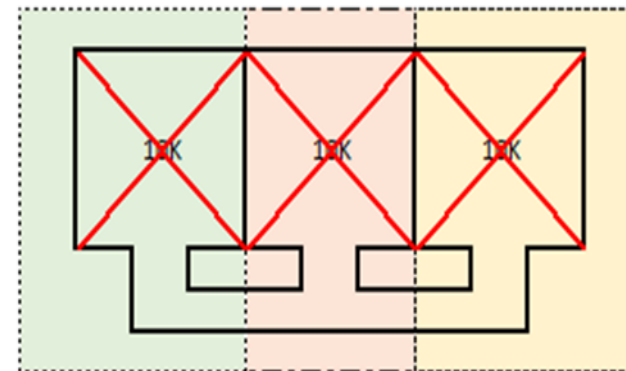
- *multifamily residential building* exceeding 20K sf is covered
- Condominium, each separately owned unit is less than 20K is not covered

Covered



One building
One Owner:
Multifamily
residential building

Not Covered



One building
Three Separate Owners:
Condominiums

New Terms and Definitions

net energy use: the sum of the metered and bulk fuel energy entering the building, minus the sum of metered energy leaving the building or campus. Renewable energy produced on a campus that is not attached to a covered building may be included. The same applies to portions of buildings with submetering. Bulk fuels are included using the equation in Section 5.2.2.1.

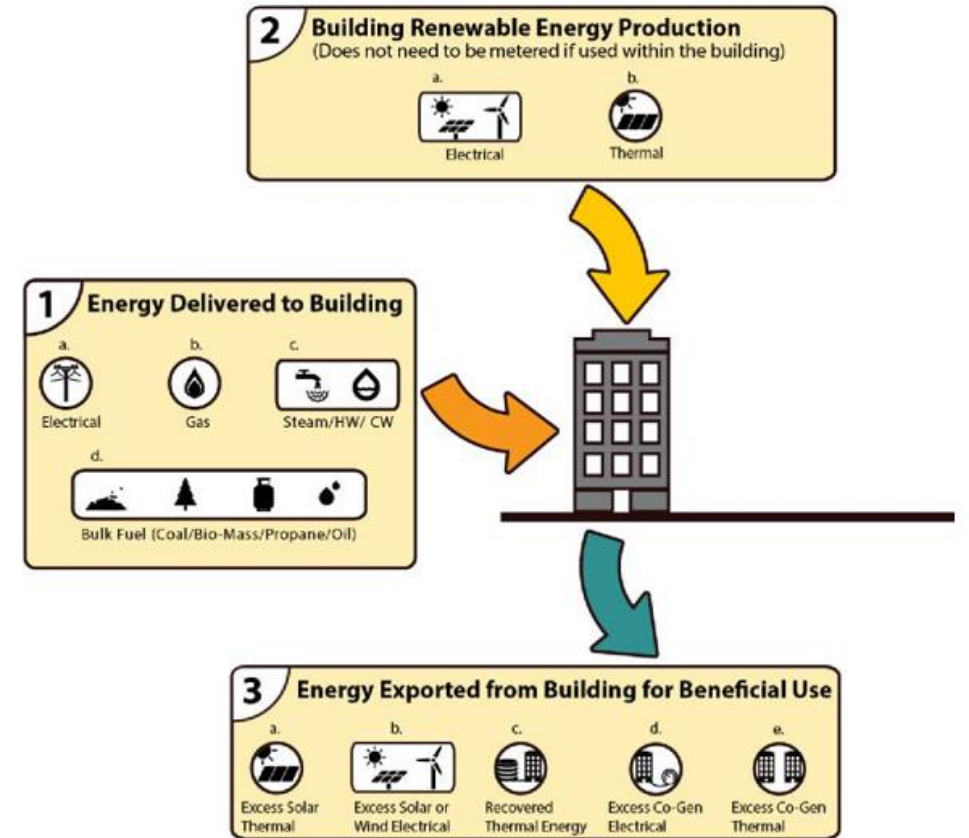


Figure 5-1 Net energy concept.

New Terms and Definitions

qualified energy manager (QEM): An individual designated by the building owner who has three years of experience, including educational and/or professional experience, with commercial building operations and/or building energy management in addition to successful completion of clean buildings tier 2 training program as specified by the AHJ.

Proposed Amendments

Annex Y- Administrative Procedures and Reporting Requirements

Luke Howard



Building Owner Notification

- Building identification
- Clean Building Portal build up
- Building owner response

Tier 2 Compliance

General Compliance

- Benchmarking
- Energy Management Plan
- Operations & Maintenance Program

Early Compliance

- July 1, 2025
- Net energy use not to exceed 2 years prior

Compliance Extension

- Approval from the AHJ and based on extenuating circumstances

Exemption

- Same list as Tier 1

Compliance Documentation

- Form A
 - EMP
 - O&M
- Form B
- Form C

The image displays two overlapping screenshots. The background screenshot shows the ENERGY STAR Portfolio Manager interface, specifically the 'Share (or Edit Access to) Properties' page. It includes sections for 'Select Properties', 'Select People (Accounts)', 'Choose Permissions', and 'Share Property(ies)'. The foreground screenshot is a PDF of 'FORM A CLEAN BUILDINGS PERFORMANCE STANDARD' from the Washington State Department of Commerce. It contains instructions for building owners to submit the form and details for various sections: Section 1 (Building Identification), Section 2 (Contact information), Section 3 (Qualified Person), Section 4 (Energy Manager), Section 6 (Summary Data), Section 7, 8, 10, and 11 (EAI Application), Section 9 (audit date), and Section 12 (Statement of Owner or Owner's Agent).

Exemptions

- Lack of a Certificate of Occupancy
- No physical occupancy
- Gross floor area minus unconditioned and semi-heated spaces is less than 20,000 sq ft
- Manufacturing or Industrial uses
 - i. Factory group F or
 - ii. High hazard group H
- Agricultural uses
- Pending demolition
- Financial Hardship

Extension

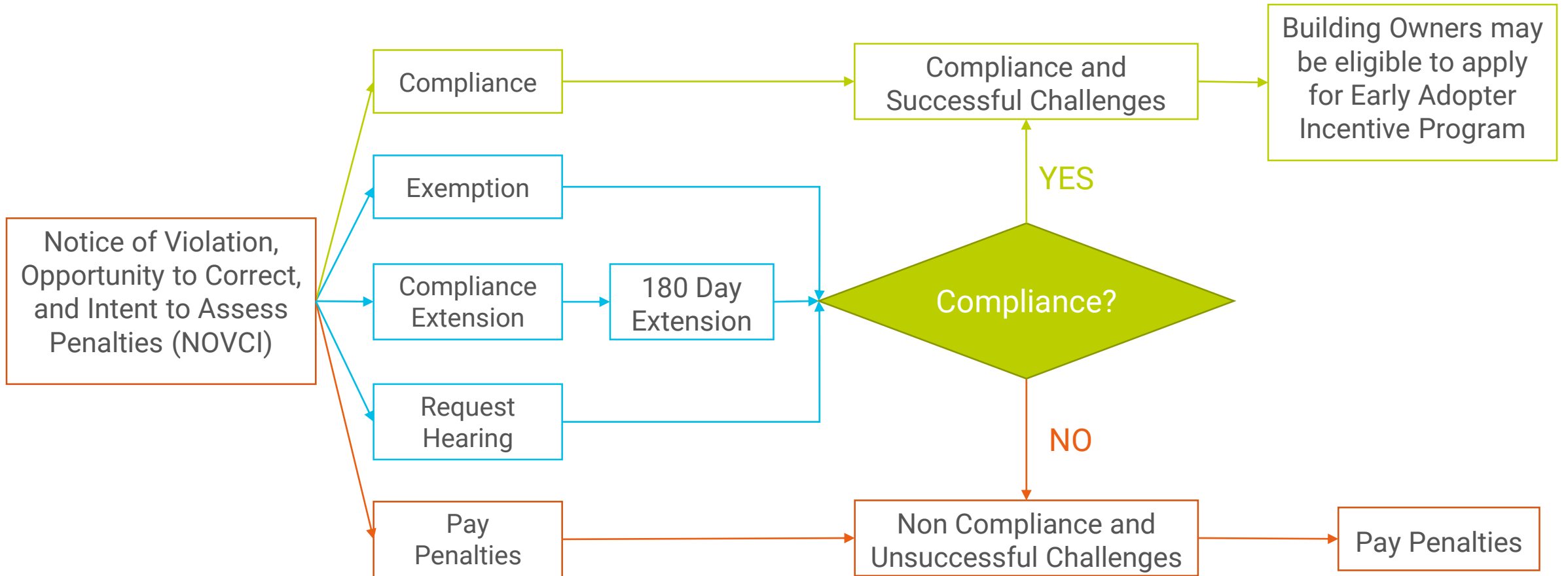
- Does not extend time to benchmark. Only extends the time to implement the EMP and O&M
- For *Tier 2 covered buildings* submit a compliance extension application
 - Form A, B, and C, including benchmarking is required
 - Receive EMP and O&M 180 day delay submittal deadline

SB5722- Penalties

Section 3 (d)(i) ...administrative penalty **not to exceed 30 cents per square foot** upon a tier 2 covered building owner for failing to submit documentation demonstrating compliance with the requirements of this subsection.”

(d)(ii) Administrative penalties collected under this section must be deposited into the low-income weatherization and structural rehabilitation assistance account...

Annex Y and Penalties



Questions & Comments



Next Steps

- Recording and slide deck will be available on the Clean Buildings homepage.
- Review workshop material and submit comments.
- Register for the future workshops
 - Tier 1 Amendments
 - Cumulative Review
- Take our Tier 2 Building Compliance Costs/Cost Savings survey

Thank you!

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